

## CITY OF ALAMEDA

### Memorandum

To: Honorable Mayor and  
Members of the City Council

From: John A. Russo  
City Manager

Date: February 7, 2012

Re: Approve the Fire Department's Implementation of a Pilot Basic Life Support  
Transportation Program

### BACKGROUND

There is a growing demand for transport of individuals requiring basic life support (BLS)<sup>1</sup> transportation services. Some Fire Departments, including those in Palo Alto and South San Francisco in the Bay Area, have expanded their advanced life support (ALS) service to include BLS transport. When a request for BLS transportation services is made from the community in Alameda, the caller is referred to a private ambulance provider because the Alameda Fire Department is not prepared to provide the service. To address this service demand, the Fire Department recommends beginning a pilot BLS transportation program in FY12-13.

### DISCUSSION

The Alameda Fire Department currently provides emergency ALS ambulance service, which outperforms the standard for on-scene arrival times in Alameda County on at least 95% of responses. These ALS ambulances are staffed with paramedics who are also trained in firefighting and rescue disciplines.

The Fire Department has now developed a plan for a pilot BLS transport program, which includes the following components:

Under the control and direction of the Alameda Fire Department, emergency medical technicians (EMTs) will transport patients in an ambulance certified to operate under the Alameda County Emergency Medical Services Ambulance Ordinance. EMTs will schedule transportation services directly with facilities and their clients. The Department will also coordinate requests with other transport agencies for services not offered by the Department including, but not limited to, air transport and critical care inter-facility transport through such cooperating agencies as Nor Cal Ambulance, Falcon

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<sup>1</sup> Alameda County's Emergency Medical Services Ambulance Ordinance defines basic life support (BLS) as the service performed in response to a non-emergency call. The Ordinance defines advanced life support (ALS) as the service performed in response a 9-1-1 emergency call which, due to the patient's medical condition, requires care at the paramedic level of service.

Critical Care Ambulance, and CalStar (air ambulance). The facilities the Department will work with include skilled nursing sites, hospitals, dialysis units, and medical offices. The Department has contacted 11 facilities in Alameda regarding their interest in utilizing the City's pilot program, and initial indications are favorable.

Comprehensive and consistent marketing of BLS transport services will play a critical role in the development and continuous success of this service. Marketing activities include pre-start-up personal contact with each medical facility and with potential customers. A marketing firm has been consulted and is preparing a proposal for image and message development, marketing strategies and an implementation plan. A quality assurance and quality improvement program will be included in the policy and procedure guidelines.

Competitors offering this type of service in Alameda include American Medical Response (AMR), Royal Ambulance, Pro Transport, Bay Medic, Nor Cal Ambulance, WestMed Ambulance, and St. Joseph Ambulance. Within the city, both AMR and Royal Ambulance are direct competitors. However, the Department is confident that name recognition, reputation, local service, and aggressive marketing will make Alameda competitive in this endeavor.

The Fire Department proposes initiating the service utilizing one of the three reserve ambulances, which will have a current, valid Ambulance Permit issued by Alameda County. This will allow for time to evaluate the assumptions built into the revenue and expense forecast. If the assumptions hold, investment in a dedicated Type II ambulance for the BLS transport service may be necessary. The cost of a Type II ambulance is estimated to be \$60,000 and may be accomplished with a lease/purchase of approximately \$15,000 each year for five years. Such an investment will only be made if the City and its residents stand to benefit by the financial return.

The BLS service will be offered from 7:30 a.m. to 7:30 p.m., Monday through Friday. Once a history of service levels is established, a decision to increase the number of BLS ambulances and/or the hours/days of service will be evaluated and brought to the City Council. After-hours calls will be answered by a call service for a nominal fee of \$30 per month. The Department will run the service out of Fire Station 4. Six part-time EMTs will be hired to implement the program. Each EMT will be accredited to work in Alameda County and will hold a current, valid ambulance Certificate of Operation issued by the County. Three EMTs will staff the program daily, with personnel rotating each day. This will result in a 30-hour work-week, averaged over two weeks, for each of the six part-time employees. Two EMTs will staff the ambulance for transports, and the third will handle administrative duties such as scheduling, marketing, and reports. Oversight will be administered through the Department's Emergency Medical Services Division.

Below are budget projections for FY12-13 and FY13-14. The pilot year budget assumes a July 1, 2012 start date and includes start-up costs for hiring, medical supplies, advertising, computer and telephones. This budget projects a conservative

revenue ramp-up of four BLS transports each day in the first quarter, five in the second quarter, six in the third quarter and seven in the fourth quarter. Revenue projections are based on reimbursement of 80% public insurance and 20% private insurance at \$400 per trip as recommended by the City's ambulance billing contractor, Intermedix. In comparison to other Bay Area BLS transport programs, \$400 is the lowest private reimbursement rate. Intermedix has agreed to collect reimbursement on behalf of the Department at their current rate (5%). Personnel expenses assume six part-time employees at \$17 per hour, 30 hours per week. A personnel contingency is included to allow for overtime and mandatory training. Other expense assumptions are based on the Fire Department's current emergency medical transport program. Budget assumptions in FY13-14 include seven trips per day all year, the lease of a new ambulance, and a 3% expense escalation for some expenses.

**FY 2012-13 Budget**

<b>Revenue</b>	
Reimbursement	<b>\$342,911</b>
<b>Expenses</b>	
Salary	<b>\$159,120</b>
Benefits (3% salaries)	<b>\$4,774</b>
Personnel Services Contingency 5%	<b>\$8,195</b>
Medical Supplies	<b>\$19,200</b>
Fuel	<b>\$6,000</b>
Recruitment	<b>\$500</b>
Computer Operating Supply	<b>\$6,500</b>
Office Supplies	<b>\$1,000</b>
Apparatus Supplies	<b>\$6,000</b>
Promotion & Advertising	<b>\$5,000</b>
Ambulance Billing	<b>\$17,146</b>
Fingerprinting	<b>\$200</b>
Professional Development	<b>\$1,000</b>
Telephone Service	<b>\$5,250</b>
Cell Phone Service	<b>\$5,000</b>
Medical Examinations	<b>\$600</b>
<b>Sub-Total Expenses</b>	<b>\$245,484</b>
Fix Charges/Transfer (10% Expenses)	<b>\$24,548</b>
<b>Total Expenses</b>	<b>\$270,032</b>
<b>Net Operating Income</b>	<b>\$72,879</b>

**FY 2013-14 Budget**

<b>Revenue</b>	
Reimbursement	<b>\$488,221</b>
<b>Expenses</b>	
Salary	<b>\$159,120</b>
Benefits (3% salaries)	<b>\$4,917</b>
Personnel Services Contingency 5%	<b>\$8,441</b>
Medical Supplies	<b>\$2,472</b>
Fuel	<b>\$6,180</b>
Recruitment	<b>\$500</b>
Computer Operating Supply	<b>\$1,500</b>
Office Supplies	<b>\$1,030</b>
Apparatus Supplies	<b>\$6,180</b>
Promotion & Advertising	<b>\$5,150</b>
Ambulance Billing	<b>\$24,411</b>
Fingerprinting	<b>\$200</b>
Professional Development	<b>\$1,030</b>
Telephone Service	<b>\$3,000</b>
Cell Phone Service	<b>\$5,150</b>
Medical Examinations	<b>\$600</b>
New Ambulance Lease	<b>15,000</b>
<b>Sub-Total Expenses</b>	<b>\$244,880</b>
Fix Charges/Transfer (10% Expenses)	<b>\$24,488</b>
<b>Total Expenses</b>	<b>\$269,368</b>
<b>Net Operating Income</b>	<b>\$218,853</b>

By providing BLS transport services, the Alameda Fire Department will deliver a broader range of ambulance services for the community. Administered by the Fire Department, the City will offer the expediency of a locally operated service from an experienced and trusted ambulance transport provider.

FINANCIAL IMPACT

It is anticipated that in FY12-13 the BLS transport program will generate an additional \$72,879 in revenue for the City. In FY13-14, it is anticipated the program will generate an additional \$218,853.

RECOMMENDATION


Approve the Fire Department's implementation of a pilot BLS transportation program.

Respectfully Submitted,



Michael D'Orazi  
Fire Chief

Approved as to funds and account,



Fred Marsh  
Controller